

ASSIGNMENT OF TRIBAL MINING PERMIT

THIS INVENTURE made and entered into by and between Paul Huskie and Margaret Huskie, his wife of Cameron, Arizona, hereinafter sometimes called "Assignor," parties of the first part and the A & B Mining Company, a corporation organized under the laws of the State of Arizona, whose main office is located at Cameron, Arizona, hereinafter sometimes called the "Assignee," party of the second part.

WITNESSED

WHEREAS, the said Paul Huskie, a Navajo Indian, is the approved holder of that certain Navajo Tribal Mining Permit No. 97 bearing date the 18 day of January, 1954, covering that/those certain mining claim(s) known as A & B Mining Company No. 3 and A & B Mining Co. No. 7, located in District No. 3 in the Navajo Reservation and in the County of Coconino, State of Arizona.

NOW, THEREFORE, for and in consideration of the sum of Ten (\$10.00) Dollars and other good and valuable consideration, the receipt of which is hereby acknowledged, and of the covenants and agreements hereinafter contained to be paid, kept and performed by the party of the second part, the said Paul Huskie and Margaret Huskie, his wife, have sold, transferred, set over and assigned and by these presents do sell, transfer, set over and assign to the Assignee, his heirs, successors and assigns, all of the Assignor's right, title, interest and claim in and to the aforesaid Mining Permit and any renewal thereof, and any lease which may be granted, based upon said Permit, in and to the following described land covered thereby, to-wit:

Location Number 3 - A. E. C. Anomaly, No. 31, 60 acres, more or less, monument No. 1 located 43° to Cameron Airport Range, $61^{\circ} 30'$ to Southwest steel pier of Cameron Bridge, 1332° to Shadow Mountain, and 217° to barn and corral. Monument number 2, Southeast corner, 1500 feet from number 1. Monument No. 3, Northeast corner, 1800 feet from No. 2. Number 4. Monument, Northwest corner, 1500 feet from No. 3.

Location Number 7, 80 acres, more or less, Monument No. 1 located 180° to Tuba Butte, $54^{\circ} 15'$ to Tuba City, $184^{\circ} 50'$ to Humphries Peak, and $182^{\circ} 5'$ to Shadow Mountain. Monument No. 2, Southeast corner, 1000 feet from Number 1. Monument No. 3, Northeast corner, 3600 feet from No. 2. Monument No. 4, Northwest corner, 1000 feet from No. 3.

- a) Pay or cause to be paid to the Navajo Tribe any and all royalties and/or bonuses at the times and in the amounts or percentages set forth and required by the terms of said Permit and paragraph four of Advisory Committee Resolution No. ACS-80-51 and Amendment No. ACM-5-52 for and on account of any and all ore mined, produced and sold from the premises.
- b) Commence mining operations under said Permit and produce and sell ore from said premises within six (6) months from the date of approval of this assignment as hereinbefore provided.
- c) Operate any mine opened or developed on the premises in a good and workmanlike manner, and in accordance with applicable mining laws, rules and regulations, and to leave any such mine timbered in the event of the abandonment thereof.
- d) Comply with the rules and regulations of the Navajo Tribe, and Advisory Committee and/or the Secretary of the Interior governing the cutting of timber from any land under the jurisdiction of said authorities, or either of them, before cutting or using any such timber for mining operations and to pay for any such timber at the rate or price provided by said rules and regulations.
- e) Comply with all and singular the terms of said Permit as to said premises and mining operations thereon, and to do and perform annually actual mining development work required in connection therewith at an expenditure of not less than the minimum requirements provided by Advisory Committee Resolution No. ACS-80-51 and the terms of said Permit, and to pay or cause to be paid to the Navajo Tribe any and all advance annual rentals to become due and payable thereunder for the lands covered hereby, and to furnish any required surety bond in an amount to conform to Departmental Mining Regulations to insure the full performance of the terms of said Permit, and to save harmless the Assignor, his or their heirs, administrators, executors or assigns, for or on account of any liability arising or to arise under said Permit or any public laws or decisions of courts, national, state or local, in connection with said premises and/or mining operations conducted thereon by Assignee.

It being made a further condition hereof that this assignment shall become void in the event:

f) That the Assignee shall fail, refuse or neglect to comply with the provisions of sub-paragraph (b) hereinabove set forth without justifiable reason therefor satisfactory to the Advisory Committee and the Area Director at a hearing upon order to show cause thereon, such decision to be binding on the parties subject to any right of appeal by either party to the Secretary of the Interior or his authorized representative as may be allowed by the rules of the Secretary.

g) That it is shown to the satisfaction of the Advisory Committee and the Area Director at a hearing upon order to show cause that the Assignee knowingly and intentionally has directly or indirectly contravened the prohibition of paragraph three of Advisory Committee Resolution No. ACS-80-51 relative to acreage limitation for mining permits and leases, such decision to be binding subject to any right of appeal as may be allowed by the rules of the Secretary of the Interior.

2. The Assignee agrees to pay or cause to be paid to the Assignor an over-riding royalty of not less than two (2%) per cent or more than five (5%) per cent on all ores produced and sold from the premises, based upon and in accordance with the schedule for determining percentage of over-riding royalty set forth in Advisory Committee Resolution No. ACS-80-51 and to pay or cause to be paid to Assignor an over-riding royalty on all ores or other products produced and sold from said premises which are not included in determining mine value per dry ton as defined in said Resolution No. ACS-80-51 at the following rates:

1. 2% of the gross value of ore having a gross ton value of \$30.00 or less.
2. 3% of the gross value of ore having a gross ton value of more than \$30.00 and not more than \$60.00.
3. 4% of the gross value of ore having a gross ton value of more than \$60.00 and not more than \$80.00.
4. 5% of the gross value of ore having a gross ton value of more than \$80.00.

Assignee further agrees to pay or cause to be paid to the Assignor as Additional over-riding royalty .5 (%) per cent of any bonus paid by the United States Atomic Energy Commission for the production of uranium ore from said premises; provided, however, that this clause shall not be effective and such additional royalty shall not accrue or be payable unless the amount of the percentage thereof is written and inserted in the space hereinabove in this clause provided for. Unless otherwise agreed upon in writing all over-riding royalty shall be paid to the said Paul Huskie.

This assignment shall be subject to prior approval by the Advisory Committee of the Navajo Tribal Council and the Secretary of the Interior or his authorized representative, and is to become effective only from the date of such approval.

In further consideration hereof, it is mutually agreed as follows:

1. The Assignee assumes and agrees to perform all obligations to the Navajo Tribe insofar as said described land is affected and to do and perform all such things and acts as are required by said Mining Permit as to the above described land, to the same extent and in the same manner as if the provisions of said Mining Permit were fully set out herein; and, without limiting in any manner the duties and obligations imposed by said Permit, Assignee shall at all times

3. At the option of the Assignee and prior to the expiration of said Permit, Assignor agrees to make application for renewal thereof and/or during the primary or renewed term thereof to make application to convert said Permit to a ten year mining lease covering all or any portion of said land at the election of the Assignee, and to make, execute, and deliver to the Assignee an assignment thereof; provided, that any such application, renewal, and/or lease and assignment shall be subject to the prior approval of the Advisory Committee and the Secretary of the Interior or his authorized representative, and shall provide for and be subject to each, all and singular the terms hereof and to the provision for payment by the Assignee to the Assignor of an over-riding royalty the same as in paragraph two hereinabove set forth.

4. Assignee agrees to give the said Paul Huskie preference for employment in mining operations on said mining claim ~~prefer~~ during the continuance of said Mining Permit and this assignment, any renewal thereof, and any lease based thereon, at the prevailing wage rate, and to employ available Navajo Indians in connection with said mining operations at prevailing wage rates in all positions for which, in the opinion of Assignee, they are qualified.

5. It is agreed that the Assignee shall succeed to all the rights, benefits, and privileges granted the Assignor by the terms of said Mining Permit, any renewal thereof, and any lease which may be granted, based upon said Permit, as to the land covered hereby, subject, nevertheless, to the terms and provision of this assignment; and that this assignment includes the entire agreement between the parties, and shall extend to and be binding upon the heirs, devisees, legatees, administrators, executors, trustees and assigns of each of the parties hereto.

6. It is further understood and agreed that Assignee shall not re-assign this assignment or said Mining Permit as to said premises or any portion thereof nor sublease or underlet said premises or any portion thereof, and shall not enter into any working agreement with any person, firm, or corporation, covering this assignment or said Permit or said premises, and that this assignment shall ipso facto become terminated and void in the event any re-assignment hereof or sublease or working agreement affecting said Permit or said premises or any portion thereof is entered into by Assignee with any other person, firm, or corporation.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals this

7th day of January, 1954.

Paul Huskie (SEAL)

Ike Arnn (SEAL)
Parties of the First Part

A & B Mining Co (SEAL)

By: Ike Arnn
President
Parties of the Second Part

STATE OF ARIZONA
COUNTY OF Ozaukee ss.

This instrument was acknowledged before me this 7th day of January, 1954,
by Paul Huskie and Margaret, his wife, and Ike Arnn as President of the A & B
Mining Company, a corporation.

Marvin Miller
Notary Public

My commission expires

RECOMMENDED FOR APPROVAL 1-7-54

Sam A. Chavis
Chairman,
Navajo Tribal Council

APPROVED

FEB 6 1954

Date

Merle C. Coyle

Area Director

March 30, 1964

MD:TT

A and B Mining Corporation
Cameron
Arizona

APPLICATION FOR CERTIFICATION - A & B #2 AND
A & B #3
Gentlemen:

A and B #2
A and B #3

Little Colorado District,
Coconino County, Arizona